

Summary: Enacted Appropriation
CAREER DEVELOPMENT FY 2003-04
Senate Bill 285
Public Act 169 of 2003



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Overview

The Department of Career Development is charged with fostering the state's workforce development system. A primary duty is administration of various federal funding streams which support job readiness, job search, and employment training programs for various populations. These include the state's Work First program for welfare recipients, the Michigan Rehabilitation Services unit, which supports vocational programs for the disabled, and general job search/training programs for adults and youth. Most direct services in these areas are provided through a network of 25 regional Michigan Works! Agencies across the state. Almost 90% of the budget is financed through federal revenue.

	FY 2002-03 YTD (as of 3/6/03)	Executive	Senate	House	Enacted	Difference: Enacted to 2002-03 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Federal	406,469,200	418,100,400	418,100,400	418,100,400	418,100,400	11,631,200	2.9
Local	15,011,900	15,011,900	15,011,900	15,011,900	15,011,900	0	0.0
Private	2,396,300	2,396,300	2,396,300	2,396,300	2,396,300	0	0.0
Restricted	7,661,500	6,664,700	6,664,700	6,664,700	6,664,700	(996,800)	(13.0)
GF/GP	26,572,800	24,706,700	23,956,700	23,955,000	24,706,700	(1,866,100)	(7.0)
Gross	\$458,111,700	\$466,880,000	\$466,130,000	\$466,128,300	\$466,880,000	\$8,768,300	1.9
FTEs	1,095.0	1,089.0	989.5	989.5	989.5	(105.5)	(9.6)

Note: FY 2002-03 YTD figures do not include the results of any supplemental, contingency transfers, or EO actions that occurred after March 6, 2003.

Major Budget Changes from FY 2002-03 YTD Appropriations:		YTD FY 2002-03 as of 3/6/03	Enacted Change
1. Council of Michigan Foundations	Gross	\$2,000,000	(\$1,000,000)
Reduces the Council of Michigan Foundations by \$1.0 million. Modified FY 2002-03 boilerplate would earmark all remaining funds to programs related to smoking prevention and cessation.	Restricted	2,000,000	(1,000,000)
2. Pre-College Programs in Engineering and the Sciences	Gross	\$900,000	(\$400,000)
Reduces the gross appropriation by \$400,000. As indicated in boilerplate, both the Detroit program and Grand Rapids program will receive an allocation of \$250,000. Both programs provide special math and science programs for disadvantaged youth interested in science and engineering careers.	GF/GP	\$900,000	(\$400,000)
3. Michigan Works! Service Centers	Gross	\$98,792,700	(\$180,000)
Removes most of the remaining GF/GP subsidy for the operations of the state's Michigan Works! Service Centers. The GF/GP support was provided to help subsidize general administrative activity not specifically related to any one program.	Federal	98,602,700	0
	GF/GP	\$190,000	(\$180,000)
4. Administrative Reductions	Gross	\$7,039,700	(\$539,400)
Removes \$539,400 GF/GP supporting Department administrative activities in anticipation of the proposed consolidation of the DCD with the Department of Consumer and Industry Services. This includes elimination of the remaining FY 2002-03 appropriation of \$110,000 for the DCD's Unclassified Salaries line item as well as a reduction of \$429,400 to the Department's Administration line item.	Federal	4,501,100	0
	Restricted	417,900	0
	GF/GP	\$2,120,700	(\$539,400)
5. Non-GF/GP Reductions – Executive Order 2003-3	Gross	N/A	(\$415,500)
Reduces federal appropriations that were tied to GF/GP matching funds removed in Executive Order 2003-3. Reductions include \$128,400 in federal Perkins Act funding for vocational education programs and \$287,100 in federal vocational rehabilitation dollars.	Federal	N/A	(415,500)
6. Federal Trade Adjustment Assistance	Gross	\$5,000,000	\$11,000,000
Increases available federal revenue to assist dislocated workers impacted by the North American Free Trade Agreement (NAFTA).	Federal	5,000,000	11,000,000
7. Other Federal Funding Changes	Gross	N/A	\$1,142,300
Increases federal authorization to account for increased federal revenues available to support administration of adult education programs (\$150,000) and to support enhancements to the state's labor market information programs (\$992,300).	Federal		\$1,142,300
8. Volunteer Investment Grants Reduction	Gross	\$780,100	(\$500,000)
Reduces the Volunteer Investment Grants program by \$500,000 GF/GP.	GF/GP	\$780,100	(\$500,000)

Major Boilerplate Changes from FY 2002-03:

Sec. 309. Pre-College Grants Program Funding – MODIFIED

Modifies the current-year language changing the funding amounts to \$250,000 for Detroit and \$250,000 for Grand Rapids.

Sec. 313. Council of Michigan Foundations – MODIFIED

Current law provides that the tobacco settlement revenue appropriation to the Council of Michigan Foundations be distributed to support local community efforts to address youth and senior health needs. The modified language earmarks the remaining appropriation to support local smoking prevention and cessation efforts.

Section 316. School Fee Fund – DELETED

Deletes current-year language. Providing for the carry-forward of any un-expended balance within this fund at the end of the fiscal year.

Summary: Enacted Appropriation
MICHIGAN STRATEGIC FUND FY 2003-04
 Senate Bill 285
 Public Act 169 of 2003



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Overview

The Michigan Strategic Fund (MSF) Agency administers the state's economic development programs and initiatives. Currently housed as an autonomous agency within the Department of Management and Budget, the MSF administers most of its programming through the Michigan Economic Development Corporation (MEDC)—which is a public corporation representing a partnership between the state-level MSF and various local economic development agencies. MEDC programs include the Life Sciences Corridor, initiative to encourage the commercialization of life sciences research, the state's tourism promotion efforts, business attraction and incentive programs, and general efforts to market the state as a business location.

	FY 2002-03 YTD (as of 3/6/03)	Executive	Senate	House	Enacted	Difference: Enacted to 2002-03 YTD	
						Amount	%
IDG/IDT	\$100,900	\$100,900	\$100,900	\$100,900	\$100,900	\$0	0.0
Federal	62,953,300	52,953,300	52,953,300	52,953,300	52,953,300	(10,000,000)	(15.9)
Local	0	0	0	0	0	0	0.0
Private	853,100	853,100	853,100	853,100	853,100	0	0.0
Restricted	32,550,000	10,050,000	15,150,000	15,149,900	10,050,000	(22,500,000)	(69.1)
GF/GP	40,426,100	35,555,900	31,388,400	41,387,900	40,555,900	129,800	2.4
Gross	\$136,883,400	\$99,513,200	\$100,445,700	\$110,445,100	\$104,513,200	(\$32,370,200)	(23.6)
FTEs	231.5	231.5	200.0	200.0	200.0	(31.5)	(13.6)

Note: FY 2002-03 YTD figures do not include the results of any supplemental, contingency transfers, or EO actions that occurred after March 6, 2003.

		YTD FY 2002-03 as of 3/6/03	Enacted Change
<u>Major Budget Changes from FY 2002-03 YTD Appropriations:</u>			
1. Life Sciences and Technology Tri-Corridor - Life Sciences Initiative	Gross	\$32,500,000	(\$17,500,000)
Reduces life sciences research and commercialization funding by \$17.5 million, the result of a \$22.5 million tobacco settlement revenue reduction and an increase of \$5.0 million GF/GP. Homeland security and automotive initiatives, as stated in the Executive recommendation, will be paid for with tribal gaming revenue.	Restricted	32,500,000	(22,500,000)
	GF/GP	\$0	\$5,000,000
2. Economic Development Job Training Grants	Gross	\$12,348,000	(\$2,300,000)
Reduces appropriations for the grant program by 18.6%. Funds are utilized to support the development and delivery of customized job training curricula for specific Michigan businesses seeking to retain or attract jobs.	GF/GP	\$12,348,000	(\$2,300,000)
3. Michigan Promotion Program	Gross	\$6,417,500	(\$700,000)
Reduces the appropriation for the state's tourism promotion activities by \$700,000 (a 10.9% reduction from FY 2002-03). The line item primarily supports advertising campaigns in targeted markets that promote Michigan as a vacation destination.	GF/GP	\$6,417,500	(\$700,000)
4. Community Development Block Grants	Gross	\$60,000,000	(\$10,000,000)
Reduces federal appropriation for Community Development Block Grants by \$10.0 million; reflects available funding and historical expenditures.	Federal	60,000,000	(10,000,000)
5. MEDC Administration Line	Gross	\$4,563,700	(\$509,000)
Reduces appropriations supporting the economic development programs and staff of the Michigan Economic Development Corporation by \$509,000.	GF/GP	\$4,563,700	(\$509,000)

Major Boilerplate Changes from FY 2002-03:

Sec. 401. Economic Development Job Training (EDJT) Grants – MODIFIED

Makes major changes in the following subsections: (1) the program is split into two separate components; the Business Response Program and the Manufacturing Competitiveness Program, an appropriation is made for each, (2) administration and operating costs are set at \$800,000 instead of a set percentage of total funds, (3) modifies current-year language by allowing EDJT grants to be expended for the training of permanent strike replacement workers if the strike exceeds three years and good faith negotiations are ongoing, (4) modifies current-year language to allow 75% of EDJT funding to community colleges or a consortium of community colleges, (11) existing match requirements for participating businesses are increased from 25% to 30%.

Sec. 410. Life Sciences Corridor/Technology Tri-Corridor – MODIFIED

Makes major changes in the following subsections: (1) now designates \$15,000,000 for the Life Sciences Initiative, with all potential businesses taking advantage of commercialization funds, and tribal casino revenue will support the Homeland Security and Automotive Initiatives, (2) a new 19-member steering committee is proposed, including new committee designations for the Director of the Department of Consumer and Industry Services, the State Treasurer, a representative from Western Michigan University, and two members representing the Legislature, (3) allows not more than \$5.0 million for all business commercialization activities, (4) requires that funded homeland security and automotive initiative proposals contain a life sciences component, (5) creates the business commercial development fund.

Sec. 416. Ethnic Destination Marketing Organizations – DELETED

Deletes current-year language which requires Travel Michigan to coordinate with ethnic marketing organizations to promote ethnic festivals and events in Michigan target markets.

Major Boilerplate Changes from FY 2002-03:

Sec. 419. Port Huron Technical Assistance Center – DELETED

Deletes current-year language allocating \$20,000 of the appropriation for “Job Creation Services” to the Port Huron Technical Assistance Center, one of a number of centers around the state that provides assistance to regional businesses in the areas of government procurement and international trade.

Sec. 419. Advice and Consent Language – NEW

Includes intent language that the members of the executive committee of the MEDC are subject to the advice and consent of the Senate.